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ABSTRACT

A study compared advertising media usage, advertising reach, and consumers' attitudes toward advertising in Israel and the United States. The study used data gathered from an Israeli survey of 1,600 consumers and an American survey of 1,500 consumers. The findings revealed that the press was the dominant advertising medium in both countries, in terms of advertising expenditures and reach. In Israel, radio was the second largest medium (due largely to the fact that there is no commercial television in that nation), while in the United States, radio ranked third. Attitudes toward advertising were also similar in the two nations--60% of the Israelis and 58% of the Americans surveyed felt that advertising often presented an untruthful picture of the product being sold. On the other hand, 62% of the Israelis and 89% of the Americans said that advertising was essential. In terms of differences, Israeli newspaper and magazine advertisements seemed ineffective when compared to the American counterpart and the Israelis tended to use cinema as an advertising medium more than the Americans. (FL)

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A COMPARATIVE STUDY OF ADVERTISING IN ISRAEL AND THE UNITED STATES

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A COMPARATIVE STUDY OF ADVERTISING IN ISRAEL AND UNITED STATES

INTRODUCTION

The international business manager is often faced with perplexing problems involving the marketing of products in foreign countries. In 1976, The Gallagher Report cited a study of international advertisers that claimed that "insufficient media research" was a major problem. Comprehensive media research in foreign countries should include an examination of (1) the advertising media in common use, (2) the advertising reach, and (3) attitudes of the population toward advertising. With such data, the international business manager is much more capable of making appropriate decisions. Moreover, obtaining foreign media research reports can stimulate innovative ideas for use at home or in other foreign countries.

The State of Israel is a complex and fascinating country due to its history, heterogenous mix of people, and similarities to the United States. One such similarity has been the continued growth of the advertising industry. Economic and advertising growth can be seen in Israel's Gross National Product (GNP) over the years (Table 1). An examination of advertising methods and attitudes in Israel should provide international business managers not only with information about Israel, but may provide some ideas on creative promotion in other countries.

The purpose of this article is to compare advertising media, advertising reach, and attitudes toward advertising in Israel and the United States to provide the international business manager with data to make appropriate decisions and stimulate innovation.

TABLE 1

Total Advertising Expenditures in Israel

In Millions*

	1974	1975	1976	1977	1978
Total Expenditures	37.9	42.4	49.6	60.0	70.0
Rate of Annual Exchange	--	12%	17%	21%	16%
Index	100	110	130	158	184
GNP In Billions	9.6	12.4	14.11	15.5	17.2
Rate of Exchange U.S. $1.00 = Israel Lira	6.00	7.10	8.90	9.06	16.00

Sources: 1. Statistical Abstract of Israel
2. Advertisers Association of Israel
3. International Marketing Data and Statistics

*Expressed in American Dollars. Currency in Israel is the Israel Lira or Pound.

Advertising Expenditures

Total advertising expenditures in Israel for the last five years was presented in Table 1. It appears that the advertising industry has had steady, continued growth in its expenditures during this period.

The Press. The examination of advertising expenditures by various media (see Table 2) reveals that the major advertising medium in Israel is the press, including all newspapers and magazines. This medium accounts for 49 million dollars which is more than 70% of the total expenditures. Approximately 50% of all advertising expenditures in the press can be accounted for by the two daily Hebrew newspapers, the Ma' Ariv and the Yediot, while the non-Hebrew newspapers such as the Jerusalem Post and the International Tribune account for only 11%. The ten other Hebrew newspapers and various magazine publications account for 39%. Being the leader in expenditures for many years, the press seems to have a secure position in the Israeli advertising market.

Total advertising expenditures for the United States are presented in Table 3, indicating the annual growth is not as great as in Israel.

Advertising expenditures by various media in the U. S. are presented in Table 4, with the press accounting for 13.3 billion dollars, representing 35% of the total advertising expenditures. In the U. S. the press has for many years been the leading medium in terms of advertising revenue and, as in Israel, seems to have a secure position in the advertising market.

TABLE 2

Expenditures by Various Media in Israel

In Millions

	1974	1975	1976	1977	1978
Press	25.0	28.3	34.6	41.6	49.0
Radio	3.0	3.5	3.8	4.6	5.4
Cinema	1.8	2.0	2.5	3.1	3.8
Other	8.1	8.6	8.7	10.7	11.8
Total	37.9	42.4	49.6	60.0	70.0

Percent of Total Expenditures

	1974	1975	1976	1977	1978
Press	66.5	66.8	69.8	69.3	70.3
Radio	8.0	8.4	7.7	7.7	7.7
Cinema	4.8	4.8	5.2	5.3	5.5
Other	20.7	20.0	17.3	17.7	16.5
Total	100.0	100.0	100.0	100.0	100.0

Source: Advertisers Association of Israel

TABLE 3

ADVERTISING EXPENDITURES IN U.S.
In Billions

	1974	1975	1976	1977
Total Expenditures	26.6	29.9	33.7	38.1
Rate of Annual Change	--	12%	13%	13%
Index	100	112	127	143

Source: Statistical Abstract of U.S.

TABLE 4

EXPENDITURES BY VARIOUS MEDIA IN U. S.

IN BILLIONS

	1974	1975	1976	1977
Newspapers	7.9	9.7	11.9	13.3
Television	4.9	5.5	6.1	7.2
Radio	1.8	1.9	2.3	2.8

Percent of Total Expenditures

	1974	1975	1976	1977
Newspapers	28.8	32.3	35.5	35.0
Television	18.3	18.3	18.1	18.8
Radio	6.7	6.4	6.9	7.1

Sources:
1. American Advertising Association. New York, N.Y.
2. Statistical Abstract of U.S.
3. Advertising Theory & Practice. C.H. Sandage

Radio. Radio is the second largest advertising medium in Israel. In 1978, 7.7% of total expenditures was allotted to this medium (Table 2). While this figure is far behind that of the newspaper industry, it does account for a large portion of the remaining total.

In the United States, the radio industry stands as the third largest medium, with advertising expenditures of 2.8 billion dollars. This figure represents 7.1% of the total advertising expenditures (Table 4).

Radio is the second largest medium in Israel and the third largest medium in the U. S. The percentage of total expenditures for each country is approximately the same.

Television. In Israel, the use of television advertising is totally absent. A government-run television broadcasting station is operating but there is no commercial television. There is, however, a plan being developed by the Israeli Advertising Association to operate a commercial television station. It is expected that this station will be operational by 1982.[1]

In comparison, television advertising stands as the second largest advertising medium in the United States. Expenditures have exceeded seven billion dollars, constituting 18.8% of total advertising outlays (Table 4).

Cinema. Although there is no commercial television in Israel as yet, there is a unique advertising outlet in Israel that is

[1]Interview with Dr. Ben Eliezer, Israel Advertising Association, Tel Aviv, Israel, March 17, 1979.

relatively unused in the American market. The medium is cinema and accounts for approximately 3% of total advertising expenditures. Cinema advertisements are run in a series of one-to-three-minute commercials for a period of twenty minutes before a movie is screened and a similar series of different commercials is run during a fifteen-minute intermission. The total amount spent on cinema advertising may seem relatively small, but as attendance at theaters increases, the trend will probably be to increase expenditures in this medium and develop it to its fullest potential.

While the medium of cinema advertising in the United States is relatively unused, it is not nonexistent. It is very common in American movie theaters to see promotional advertisements. This type of advertising is usually used to inform the consumer of forthcoming movies and other special events.

Advertising Reach

An Israeli survey (N=1600) reported that the medium of highest exposure is the press (Table 5). Eighty-seven percent of the people surveyed read at least one newspaper and 18% read more than one. This survey is part of the consumer surveys of the Advertisers Association of Israel, conducted by the Israel Institute for Applied Social Research and the Communication Institute of Tel-Aviv University.

Second highest exposure in Israel is commercial radio with 50% of the sample stating that they listen one hour each day, and 33% reporting regular listening (more than one hour). Twenty-four percent of the survey reported being exposed to cinema at least once weekly.

TABLE 5

Exposure to Major Media in Israel

Percent of Sample (N = 1600)

	None	One	Two or More	Total
Daily Newspapers	12	70	18	100%

	None	One Hour or Less	Regular	Total
Commercial Radio	50	17	33	100%

	None	Once	Two or More	Total
Cinema (per week)	76	21	3	100%

Source: Consumer surveys of the Advertisers Association of Israel, conducted by the Israel Institute for Applied Social Research and the Communication Institute of the Tel-Aviv University. The sample represents the adult urban Jewish population in Israel in 1977.

A measurement of the reach of advertising in the United States can be directly related to the percent of total advertising expenditures. The medium with the highest percentage of total advertising expenditures is the medium which reaches the largest number of people. A survey by Daniel Starch and Company reveals that more newspaper advertisements are seen by the American public than any other medium. Television is second in advertising exposure, and radio is third.[2]

Attitude Toward Advertising

The general attitude toward advertising in Israel has been examined in consumer surveys of the Advertisers Association of Israel (Table 6). Fifty-five percent of the respondents believed that advertising presents a false picture of the products advertised. However, only 20% personally found an advertisement that was untrue. Fifty-nine percent of the people surveyed believe that people are "very often persuaded" by advertising and 62% of the Israeli sample thought that advertising was at least "somewhat important" for the public.

The attitudes toward advertising in the U. S. are presented in Table 7 from a survey sponsored by the American Association of Advertising Agencies. Fifty-eight percent of those surveyed felt that advertising does not present a true picture of the product advertised. Fifty-eight percent felt advertising insults the intelligence of the average consumer and 82% believed that people are "often persuaded" by advertising to buy things they really don't need. However, 89% of the American sample agreed that advertising is essential.

[2]Interview with Prof. G. Guttman, Adelphi University, Garden City, N. Y., Sept. 19, 1979

TABLE 6

ATTITUDES TOWARD ADVERTISING IN ISRAEL

Questions	Answers	Percent (N = 1919)
a) Do you think that advertising usually presents a true picture of the products advertised?	Yes, all true	5
	More true than false	35
	More false than true	41
	All false	14
	No answer	5
		100
b) How often did you find out that what an advertisement said was not true?	Always	2
	Very often	18
	Rarely	42
	Never	33
	No answer	5
		100
c) Do you think that people are persuaded by what advertising says about products?	Always	6
	Very often	53
	Rarely	31
	Never	4
	No answer	6
		100
d) Do you think advertising is important for the public?	Very important	18
	Somewhat important	44
	Not so important	27
	Not important at all	8
	No answer	3
		100

Source: Same as Table 5

TABLE 7

ATTITUDES TOWARD ADVERTISING IN AMERICA

Questions	Answers in Percent (N = 1500) Yes	No
a) In general do you think advertising presents a true picture of the product advertised?	42	58
b) Do you think that most advertising insults the intelligence of the average consumer?	58	42
c) Do you think that advertising often persuades people to buy things they shouldn't buy?	82	18
d) Do you think advertising is essential?	89	11

Source: American Association of Advertising Agencies

DISCUSSION

It would be inaccurate to compare dollar figures of advertising in any country to that of the United States, because the U. S. is, by far, the undisputed world leader in this industry.[3] Therefore, discussion of the two coutries will be in terms of the percent of total advertising expenditures.

Similarities. In both countries, the press is dominant in advertising expenditures. In Israel, radio is the second largest medium, while in the U. S., radio ranks third. The reason for this higher ranking in Israel is the fact that presently there is no commercial television in Israel. However, the Israeli Advertising Association expects that by 1982, Israel will have its first commercial television station. The Association also feels that with the implementation of commercial television, advertising expenditures will increase at an even faster rate.

In the area of advertising reach, the two countries have similar findings. As would be expected, the medium with the highest percentage of total advertising expenditures is the medium that reached the largest number of people in both Israel and the United States.

[3]Advertising Age, "Profiles of Agencies Around the World: Billings and Income." Advertising Age p. 27, March 29, 1976

The attitude toward advertising in Israel and America is very similar. Sixty percent of the Israeli survey and 58% of the American survey felt that advertising often presents an untruthful picture of the product being advertised. This indicates a lack of trust in the advertising industry in both Israel and the United States. When asked to comment on the importance of advertising, 62% of the Israeli survey said that it was important and 89% of the American survey said they thought it was essential. While these findings indicate a lack of trust in advertising, the importance of it is obvious.

Differences. Although there are many statistical similarities between the American and Israeli advertising industries, there are a variety of differences between the two. In Israel, newspaper and magazine advertisements seem ineffective when compared to their American counterpart. There seems to be a lack of mood or lifestyle selling in Israeli advertising, a characteristic which is prevalent in all American advertising.

The objectives of cinema advertising in Israel and the U. S. seem quite different. In Israel, the advertisements are for various products, with audience differentiation techniques being used. Israeli cinema advertising is most similar to television advertising in America. In comparison, cinema advertising in the U. S. seems to use little audience differentiation and is relatively unused in the American market.

Conclusion

This paper indicated that there are many similarities and differences between the Israeli and American advertising industries. It is quite obvious that the American industry is superior in almost all areas. There is, however, something that may be learned from the Israeli advertising industry: the use of cinema as an advertising outlet for commercial products. This medium should be considered by American advertisers as a viable outlet for commercial advertising in the United States.

One final conclusion that can be drawn from this comparison is that the Israeli advertising industry is learning and growing at an ever-increasing rate. The adoption of old and new American advertising techniques, as appropriate with Israeli culture, is visable in their advertising. Perhaps someday, it will grow and develop into an industry that not only plays an important role in its domestic economy, but will have an effect on the world economy as well.

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